## SAMPLE BORROWING BASE CALCULATIONS

## Showing Compliance and Non-compliance with Maximum 60% Inventory Reliance

Part					SAMPI	SAMPLE 1			SAMPLE 2			
Maring	Gross Export-Related A/R			1,200,000			500,000					
Note Primary Collateral (FANY)	Less Ineligibles				200,000	-		110,000	_			
Canada Cober Primary Collateral OF ANY)	Eligible Export-Related A/R (NON-Retainage)			1,000,000			390,000					
Canable Other Primary Collared   100,000		at Advance Rate of:	0.90			900,000	В		351,000	В		
Campable Other Primary Collateral   100,000   C   100,00	Other Primary Collate	eral (IF ANY)			500,000			0				
Case   Enclay   15,000   15,		at Advance Rate of:	0.20									
Eighte   15000   1500000   150000   150000   150000   150000   150000   150000   1500000   150000   150000   150000   150000   150000   150000   1500000   150000   150000   150000   150000   150000   150000   1500000   150000   150000   150000   150000   150000   150000   1500000   150000   150000   150000   150000   150000   150000   1500000   150000   150000   150000   150000   150000   150000   1500000   150000   15000000   1500000   1500000   1500000   1500000   15000000   15000000   15000000   15000000   15000000   15000000   15000000   150000000   150000000   1500000000   15000000000   150000000000	Loanable Other Prima	ary Collateral				100,000	C		0	C		
Eligible Export Related Inventory	Gross Export-Related	Inventory			3,150,000			3,150,000				
Total Borowing Base  For all Control Warranty   CS    Marranty   LCS   Ma	Less Ineligibles				150.000	-		150,000	_			
Capable Export Inventory	Eligible Export-Relat	ed Inventory			3,000,000			3,000,000				
Total Borrowing Base    Same		at Advance Rate of:	0.75									
Reserve for Lesters of Credit - INCLUDIES ANY NEW LCS   800.00   9	Loanable Export Inve	entory				2,250,000			2,250,000			
Total (non-Warranty) L'CS   S00,000   CB   CD,25   CD,000   Came for both   CD,000   CD,00	Total Borrowing Base				3,250,000	=		2,601,000	=			
Warranty L/Cs         0         © 10.75         O 10.75         <				-								
Warranty L/Cs must be reserved at least @ 75% from the Borrowing Base, or @ [100% less Cash Collateral]. In addition, Cash Collateral is required, equal to at least 25% of the face value of Warranty L/Cs. In these samples, there are no Warranty L/Cs, but it is assumed that if there were, then Cash Collateral equal to 25% of the face amount of the Warranty L/Cs would be available and reserved for this purpose.)    Borrowing Base available to support Disbursements	Total (non-Warranty)	L/Cs	800,000	@	0.25	200,000		(same for both	200,000			
Collateral is required, equal to at least 25% of the face value of Warranty LCs. In these samples, there are no Warranty LCs, but it is assumed that if there were, then Cash Collateral equal to 25% of the face amount of the Warranty LCs would be available and reserved for this purpose.)    Borrowing Base available to support Disbursements	Warranty L/Cs		0	@	0.75	0	•	(same for both		-		
Beginning Loan Balance (principal balance of Disbursements)	is require assumed if there w	d, equal to at least 25% of that tere, then Cash Collateral 6			·		•					
New Disbursement (Advance) Request	Borrowing Base available to support Disbursements					3,050,000			2,401,000			
Ending Loan Balance (principal balance of Disbursements)  Plus Face Value of ALL Letters of Credit - INCLUDES ANY NEW L/CS Standby L/CS - Warranty  Standby L/CS - Warranty  200,000  Commercial L/CS  TOTAL SET-ASIDE FOR L/CS  NOTE: Cannot exceed Loan Facility Amount  X = A - (B + represents the portion of the principal balance supported by Inventory represents the sum of the principal balance of Disbursements plus the  X / Y cannot exceed sixty percent (60%, or 0.60)  X = 1,900,000 - (900,000 + 100,000)  X = 900,000  Y = 1,900,000 - 600,000  X / Y = 900,000  X / Y = 900,000  1,504,000 / 2,500,000  X / Y = 900,000 / 2,500,000  1,504,000 / 2,500,000		• •	Disbursements)									
Plus Face Value of ALL Letters of Credit - INCLUDES ANY NEW L/Cs Standby L/Cs - Warranty 0 Standby L/Cs - Non-Warranty 200,000 Commercial L/Cs 600,000 D  TOTAL SET-ASIDE FOR L/Cs 800,000 S NOTE: Cannot exceed Loan Facility Amount 3,000,000		•				,	-			_		
Standby L/Cs - Warranty   200,000	Ending Loan Balance	(principal balance of Disi	oursements)			1,900,000	A		1,900,000	A		
NOTE: Cannot exceed Loan Facility Amount	Standby L/Cs - Warr Standby L/Cs - Non- Commercial L/Cs	anty Warranty	0 200,000			800,000	<u>-</u>		800,000	<u>-</u>		
NOTE: Cannot exceed Loan Facility Amount												
$Y = A + D \qquad \text{represents the sum of the principal balance of Disbursements plus the} \\ X / Y \qquad \text{cannot exceed sixty percent (60%, or 0.60)} \\ X = \frac{1,900,000 - (900,000 + 100,000)}{1,900,000 - (900,000 + 100,000)} \frac{1,900,000 - (351,000 + 0)}{1,549,000} \\ Y = \frac{1,900,000 + 600,000}{1,900,000 + 600,000} \frac{1,900,000 + 600,000}{2,500,000} \\ Y = \frac{2,500,000}{2,500,000} \frac{1,504,000 / 2,500,000}{1,504,000 / 2,500,000} \\ X / Y = \frac{900,000 / 2,500,000}{1,504,000 / 2,500,000} \frac{1,504,000 / 2,500,000}{1,504,000 / 2,500,000} \\ X / Y = \frac{900,000 / 2,500,000}{1,504,000 / 2,500,000} \frac{1,504,000 / 2,500,000}{1,504,000 / 2,500,000} \\ X / Y = \frac{900,000 / 2,500,000}{1,504,000 / 2,500,000} \frac{1,504,000 / 2,500,000}{1,504,000 / 2,500,000} \\ X / Y = \frac{900,000 / 2,500,000}{1,504,000 / 2,500,000} \frac{1,504,000 / 2,500,000}{1,504,000 / 2,500,000} \\ X / Y = \frac{900,000 / 2,500,000}{1,504,000 / 2,500,000} \frac{1,504,000 / 2,500,000}{1,504,000 / 2,500,000} \\ X / Y = \frac{900,000 / 2,500,000}{1,504,000 / 2,500,000} \frac{1,504,000 / 2,500,000}{1,504,000 / 2,500,000} \\ X / Y = \frac{900,000 / 2,500,000}{1,504,000 / 2,500,000} \frac{1,504,000 / 2,500,000}{1,504,000 / 2,500,000} \\ X / Y = \frac{900,000 / 2,500,000}{1,504,000 / 2,500,000} \\ X / Y = \frac{900,000 / 2,500,000}{1,504,000 / 2,500,000} \\ X / Y = \frac{900,000 / 2,500,000}{1,504,000 / 2,500,000} \\ X / Y = \frac{900,000 / 2,500,000}{1,504,000 / 2,500,000} \\ X / Y = \frac{900,000 / 2,500,000}{1,504,000 / 2,500,000} \\ X / Y = \frac{900,000 / 2,500,000}{1,504,000 / 2,500,000} \\ X / Y = \frac{900,000 / 2,500,000}{1,504,000 / 2,500,000} \\ X / Y = \frac{900,000 / 2,500,000}{1,504,000 / 2,500,000} \\ X / Y = \frac{900,000 / 2,500,000}{1,504,000 / 2,500,000} \\ X / Y = \frac{900,000 / 2,500,000}{1,504,000 / 2,500,000} \\ X / Y = \frac{900,000 / 2,500,000}{1,504,000 / 2,500,000} \\ X / Y = \frac{900,000 / 2,500,000}{1,504,000 / 2,500,000} \\ X / Y = \frac{900,000 / 2,500,000}{1,504,000 / 2,500,000} \\ X / Y = \frac{900,000 / 2,500,000}{1,504,000} \\ X / Y = \frac{900,000 / 2,500,000}{1,504,000} \\ X / Y = \frac{900,000 / 2,500,000}{1,504,000} \\ X / Y = \frac{900,000 / 2,500,000}{1,504,$			unt	3.000.000	]	2,700,000			2,700,000			
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	Calculation of Inver	ntory		,								
X = 1,900,000 - (900,000 + 100,000)		X / Y cannot exceed sixty percent (60%				ercent (60%, or 0.60	))					
X = 900,000					SAMPI	SAMPLE 1			SAMPLE 2			
X = 900,000			X =		1,900,000 - (900,000 + 100,000)			1,900,000 - (351,000 + 0)				
Y = 1,900,000 + 600,000 $1,900,000 + 600,000$ $Y = 2,500,000$ $2,500,000$ $X / Y = 900,000 / 2,500,000$ $1,504,000 / 2,500,000$			X =		900,000			1,549,000				
Y = 2,500,000 2,500,000 X / Y = 900,000 / 2,500,000 1,504,000 / 2,500,000			Y =		1,900,000 + 600,000			1,900,000 + 600,000				
X / Y = 900,000 / 2,500,000												
								1,504,000 / 2,500,000				
						0.36 0.62						